

NEW SOUTH WALESBUSINESS STATISTICS - JUNE 18th, 1942.C O N T E N T S

PART I	<u>Rural Industries - General:</u> Seasonal conditions. Fertiliser Rationing. Food Council.
	<u>Wool:</u> Production. Consumption in Australia and elsewhere.
	<u>Wheat:</u> Seasonal conditions. Prices.
	<u>Dairy Produce:</u> Production, April 1942. Butter and Cheese quotas June, 1942.
PART II	<u>General</u>
	<u>Trading Banks:</u> April, 1942.
	<u>Bond Yields:</u> May, 1942.
	<u>Share Prices:</u> June 16th, 1942.
	<u>Wholesale Trade:</u> Sales Feb. 1942.
	<u>Retail Trade:</u> March, 1942.
	<u>Employment:</u> Total employment (excl. rural and domestic) March, 1942. National Service Office unemployment register, May-1942. April
	<u>Manpower.</u>
PART III	<u>Building Permits - Metropolis, April, 1942.</u>

PART I PRIMARY INDUSTRIES

RURAL INDUSTRIES - GENERAL.

Seasonal conditions:

During the first week in June some very fair rains were experienced in Coastal districts, north and south. Scattered falls occurred on the Tablelands and Western districts. There was fairly general rain, heavy in places, on 9th and 10th June. The Central districts and Tablelands benefitted most. Temperatures have been normal except for a drop during the early part of the second week of June.

Fertiliser Rationing: Applications for sulphate of ammonia by growers of vegetables, including potatoes, must be sent to the Agriculture Department by July 31. Wheat growers and others are lower on the priority scale.

Labour: Shortages of man-power for cane cutting and pea picking have been reported.

Food Council: Among the subjects discussed by the Australian Food Council on 3rd June were:- expansion of bulk vegetable growing, the drying of the entire apricot crop and the dehydration of mutton. A report from the Nutrition Committee of the National Health and Medical Research Council stressed the value of dried apricots and prunes as food, especially for children. The report recommended that the extraction of flour should be raised to 75% in all mills as this would greatly improve the nutritive value of bread. The Minister for Commerce presented a report on dehydration. Expenditure of £100,000 has been authorised for vegetable and fruit dehydration equipment. The Minister proposed to ask Cabinet to establish mutton dehydration plants, principally in N.S.W. and Queensland, at cost of £200,000. The British Government offered to take 25,000 tons of dehydrated mutton, equivalent to 10 million sheep. Australia is badly in need of an outlet for old sheep. In recent years there has been an increased preference for lamb meat (e.g. lamb meat was only 39% of sheep carcass exports in 1913-14 but recently it was 86%) and old sheep have been sold recently at low prices. Today Australia's flocks are some 125 million sheep compared with 119 million in 1939 and 111 million at the end of 1938. Pastoralists are being warned of the consequences of overstocking.

Wool: The limit on the consumption of wool in Australia is our manufacturing capacity which will remain fully occupied even under clothes rationing. Enormous home Government orders in U.S.A. are keeping world consumption at a high level despite the elimination of Continental (European) users.

The new season's clip in the later shearing districts should benefit considerably in weight by the recent rains. Mild weather has enabled unseasonal growth of feed.

Marketings of sheep have fallen 53% as a result of improved pastures and greater earning power as wool producers. Prices of sheep have risen.

The increased price to be paid by Britain covers the whole clip and consequently the Table of Limits for appraisement values of the 1500 types of wool produced in Australia will have to be adjusted in due proportion.

Wheat: A further interim payment of 3d. per bushel is being made on wheat delivered into No. 4 (1940/41) pool. This brings the total payment so far to 5/10 per bus., bagged basis, less freight.

Improved weather conditions have encouraged further sowing by wheat growers.

Prices of wheat for local flour are unchanged. July futures averaged 122 ⁹/₁₆ cents per bus. on the Chicago market in May. The price on 15th June was 118 ⁷/₈ cents per bushel. In Winnipeg July futures are unchanged at 80 ³/₈ cents a bushel.

Meat. The Commonwealth Government intends to implement its plan to control the meat industry and supplies reaching the Services and civilians and for export.

/Dairy.....

Dairy Produce.

During the ten months ended April, butter produced in N.S.W. was 75% of the output in the corresponding period of 1938/39. In April, production was 82% of the average in the two seasons 1938/39 and 1939/40. Exports during the current financial year of butter from Australia are expected to be little more than a third the total in 1939/40.

Britain is willing to take dehydrated butter but so far none is being produced in Australia. This process may provide a profitable outlet for low grade butter.

BUTTER PRODUCTION - N.S.W. FACTORIES.

'000,000 lbs.

	Year.	Ten Months ended April.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
1938/39	113.8	95.6	12.6	11.4	9.7	10.8	12.1	11.88
1939/40	112.0	99.7	13.5	13.8	12.6	10.6	9.6	9.17
1940/41	103.7	91.7	8.2	11.4	14.5	12.8	11.7	8.68
1941/42	-	72.9	7.9	8.6	6.7	8.3	10.1	8.64

Australian cheese production for the first nine months of 1941/42 was 8.1% above last season but 10% below the figure for two seasons ago. In N.S.W. production declined 25% (i.e. by 11,700 cwt.) compared with 1940/41. Exports of cheese from Australia during the period July-Mar. 1941/42 were 27.3 million lbs. or 0.7 million lbs. less than the previous year.

Pork exports in the nine months ended March last declined from 40.2 m. lbs. to 31.4 m. lbs. but bacon and ham exports were 1.1 m. lbs. higher at 5.6 m. lbs.

Owing to the low level of production the June quotas for local consumption of butter and cheese are high.

QUOTAS OF BUTTER AND CHEESE FOR LOCAL CONSUMPTION.

N.S.W., VIC., Q'LD., TAS.

Month	B U T T E R				C H E E S E ^φ			
	1934/35 ^x	1939/40	1940/41	1941/42	1934/35	1939/40	1940/41	1941/42
	%	%	%	%	%	%	%	%
July	50	61	73	64	75	66 ^{2/3}	51	61
Aug.	55	54	61	57	75	47 ^{1/2}	41	47 ^{1/2}
Sept.	50	42	54	51	75	37	39	36
Oct.	33 ^{1/2}	34	42	46	37	29	33	28
Nov.	26	32	37	45	44	26	30	29
Dec.	24	32	39	38	38	28	31	29
Jan.	24	32	36	37	40	32	36	37
Feb.	29	36	37	46	50	43	46	45
Mar.	32	40	44	47	58	46	50	42
Apr.	43	47	53	56	61	50	58	44
May	47	50	57	70	61	50	63	68
June	68	69	71	85	78	50	70	63

^φ Quotas apply to S. Australia also. ^x Year of record production.

An increase in the production of milk within the metropolitan milk zone may be achieved by the feeding of supplementary foods to stock. There would then be a beneficial increase in the production of related commodities, butter, cheese and pork.

Taxation: Mr. Curtin has announced that the next Federal Budget will not increase taxation, direct, or indirect, except in cases where the uniform tax plan will increase a taxpayer's liability. There will be no increase in the Land Tax or Company Tax (in respect of income in 1941/42). The proposed profit limitation measure (allowing a 4% maximum) will apply to income earned by companies in the next financial year.

The Commonwealth Taxation Advisory Committee has recommended special depreciation allowances for plant subject to wartime wear and tear and obsolescence.

Next year, it is expected that the Commonwealth Government will collect £75 m. more in taxation than in the present year. About £65 m. will be on account of the operation for a full year of the higher rates of tax applied in the last Budget. The uniform taxation measure will provide at least £12 m.

War Expenditure: In 1942/43 Australian war expenditure may exceed £1 m. a day. By the end of June, total expenditure to date will have been about £525 m. Loans, interest-free loans and war savings certificates have provided £253 m., revenue £200 m. and temporary loans from the Commonwealth Bank £72 m. Mr. Chifley, Commonwealth Treasurer, has stated that although the number of persons in civil employment was 2,650,000 or 100,000 less than before the war, incomes being derived are much higher. From £700 m. p.a. before the war, incomes derived by all employees together were now at the rate of £850 m. a year.

Trading Banks. Total deposits of the nine trading banks in Australia were steady in April compared with March. Cash and Treasury Bill holdings were lower. The liquidity ratio (cash and Treasury Bills to deposits) therefore declined to 19.6% compared with 22.3% a month earlier. Advances rose substantially (£8 m.) - the first significant rise for a long time.

Bond Yields. The yield on government bonds has been kept fairly stable throughout the war period. The Committees of the Australian Stock Exchanges first fixed minimum bond prices on 15th June 1940. The prices were based on those ruling on 14th June 1940 and are adjusted periodically to allow for accrued interest.

From the end of April to the end of May, the yield to the nearest penny on fully-taxed short-dated Commonwealth bonds was unchanged. The yield on part-taxed short-dated and long-dated bonds fell slightly.

YIELD ON COMMONWEALTH GOVERNMENT SECURITIES IN AUSTRALIA.

Weighted Averages.

Compiled by the Commonwealth Bank.

Last Wednesday in Month.	5 years and under 10		10 years and over taxed at 1930 C'wealth rates.
	Taxed at full C'wealth rates.	Taxed at 1930 C'wealth rates	
	%	%	%
1940 Apr.	3.20	3.18	3.20
1941 Apr.	3.21	3.07	3.20
Oct.	3.19	3.06	3.19
Nov.	3.18	2.94	3.13
Dec.	3.22	2.94	3.09
1942 Jan.	3.22	2.92	3.04
Feb.	3.23	3.07	3.17
Mar.	3.22	3.07	3.17
Apr.	3.22	3.00	3.13
May	3.23	2.95	3.12

War Loan. The progress of the Second Liberty Loan is still slow compared with the previous loan in Feb.-Mar.

Share Prices. The Sydney Stock Exchange index of the prices of 34 ordinary shares (1934=100) stood at 102.15 on June 16th. This was the highest figure since February 12th, 1942. The market has been showing increasing confidence during the last few weeks. Retail shares are firm despite the expected reduction in turnover from clothes rationing.

Wholesale Trade. In February 1942, recorded wholesale sales were higher than for February of any other year. The increase compared with past years is due partly to an increase in the number of traders registered under Sales Tax Acts. The recent rise in the value of sales is however, due to an increase in the volume of military and civilian demand, plus a rise in prices.

WHOLESALE TRADE - N.S.W.

Sales by Traders registered under Sales Tax Acts.

Total Taxable and Exempt Goods.

Month	1938	1939	1940	1941	1942
	£m.	£m.	£m.	£m.	£m.
Jan.	14.2	13.2	16.3	15.8	18.69
Feb.	15.7	16.6	14.6	17.5	19.39
Mar.	15.8	15.8	17.0	17.4	
Apr.	16.8	15.8	17.9	19.1	
May	16.9	17.5	14.9	18.8	
June	15.0	14.9	17.1	21.8	
July	16.2	15.3	16.7	17.6	
Aug.	15.3	16.8	17.2	20.4	
Sept.	17.5	19.4	17.5	21.6	
Oct.	15.7	19.2	18.5	18.3	
Nov.	16.9	17.5	18.1	20.6	
Dec.	17.0	18.3	17.0	20.3	
Total	193.0	200.3	202.8	229.0	

Retail Trade: There were four late shopping nights in March 1941 and none in March 1942 but sales were 25.9% greater. In February, 1942 sales were only 3.4% above the corresponding month in the previous year.

There was a good deal of buying in March, 1942 stimulated, apparently, by fears of shortages and rationing. Stocks fell heavily.

It was announced on the evening of May 8th that clothing ration coupons would soon be issued in Australia. In the meantime, retailers of clothing were asked to restrict sales to 75% of the previous years' figures. Since that date the quota has been sold every day. From Tuesday 16th June, coupons must be surrendered when articles of clothing are purchased. Retailers may obtain supplies, based on their requirements last year, until August 3rd without surrendering coupons. Wholesalers will not be obliged to surrender coupons to manufacturers until 21st September, 1942.

/RETAIL.....

RETAIL TRADE - SYDNEY.

Percentage increase from the corresponding period of the previous year.

Period	Value of Net Sales	Value of Stock	Wages and Salaries Paid.	Number of Employees.
	%	%	%	%
1939 Jan.-Dec.	+ 2.4	+ 2.0	+ 2.6	+ 0.9
1940 Jan.-Dec.	+ 6.3	+ 17.0	+ 4.0	+ 1.9
1941 Jan.-Dec.	+ 14.6	+ 8.0	+ 9.0	+ 4.0
1941 Sept.	+ 20.5	+ 10.5	+ 12.2	+ 5.2
Oct.	+ 18.1	+ 13.9	+ 12.6	+ 6.9
Nov.	+ 7.4	+ 16.2	+ 8.8	+ 5.7
Dec.	+ 4.8	+ 21.5	+ 11.2	+ 3.7
1942 Jan.	+ 5.5	+ 21.1	+ 8.3	+ 4.6
Feb.	+ 3.4	+ 19.2	+ 4.3	+ 0.7
Mar.	+ 25.9	+ 11.5	+ 4.6	+ 0.6

There will be no further increases in the price of tea to the consumer for the duration of the war. Supplies from Java have been replaced, at additional cost, by imports from Ceylon. The Government will bear the increased landed costs.

All stocks of rope and jute are now controlled. Holders of surplus wheat sacks are requested to market them.

Employment. Excluding rural employees and household domestics there were employed in N.S.W. at the end of March, 1942, 560,600 males and 220,200 females (total 780,800). This compares with a total of 783,500 at the end of the previous month and 771,300 in July, 1941. This section of employed wage-earners has increased numerically from 696,300 in July 1939 (v. Table in B.S.6A).

The upward surge of employment in other than rural and household domestic occupations was slowed down when, towards the end of 1941, army call-ups began to drain men into the forces in large numbers. The peak number of male employees in the group described above was reached in September, 1941. Private industry had lost by March 21,000 men but Government and local Government authorities (whose employment is also affected by call-ups) had increased their male employees by 5,500.

In April, 1942, in spite of further large enlistments from some departments the employees in N.S.W. of Government bodies (including Commonwealth but exclusive of local government) showed a net increase of 2,100 males and 800 females (total 2,900) compared with March, 1942.

The net fall Sept. 1941 - Mar. 1942 of only 15,500 in males employed in N.S.W. exclusive of rural employees, does not measure to scope of the call-up and enlistments in the services from the wage-earning group. There has been a movement from rural into non-rural employment and large numbers of rural employees have been called-up. Other sources from which male employees are being drawn for non-rural industries are: former self-employers, re-entry of retired men and others normally not occupied, such as persons of independent means.

Unemployment. There was an increase from March to April of 500 in persons registered for employment at National Service Offices. During the month of April, however, nearly 12,000 persons were sent to employment compared with 4,000 in March.

NEW SOUTH WALES

OPERATIONS OF NATIONAL SERVICE OFFICES.

	MARCH, 1942				APRIL, 1942.			
	Sent to jobs during month		On Register of unemployed at end of month		Sent to jobs during month		On Register of unemployed at end of month	
	Males	Females	Males	Females	Males	Females	Males	Females
Adults	1,823	1,704	2,394	2,678	9,432	1,610	2,586	2,471
Minors	57	507	47	351	382	525	102	837
Total	1,880	2,211	2,441	3,029	9,814	2,135	2,688	3,308

Man-power. In order to conserve materials and man-power for higher priority works the War Cabinet decided on 12th June to institute supervision of A.R.P. work being done in all States.

Skilled men are being asked to transfer voluntarily from non-essential or low priority jobs to work of high priority. Some 2,500 persons are being placed in defence work each week by National Service Offices. Over 1,000 of these are in the metropolitan area.

Many exemptions from military service are expected to be cancelled during the next few months.

It is no longer necessary for employers to obtain permission to engage male labour for working ships, wharves, rural holdings, dairy farms, shearing and wool classing. Federal, State and local government bodies must now seek permission before engaging labour. Previously they were exempted.

Regulations were gazetted on 4th June to permit "dilution" of labour in the boot and shoe industry. Committees will supervise the engagement of "added labour".

The Government and the Amalgamated Engineers conferred early in June on the dilution of labour in defence establishments. Production in tool rooms is to be speeded up.

Some 5,500 out of 8,000 men engaged on gold mining in Western Australia may be called up for military or Allied Works service. The Director General of Allied Works may call upon the industry to provide labour for urgent works from those retained. Miners not called up will keep the mines in working condition for post-war expansion. In Victoria about 800 men may be released from gold mines.

A detailed investigation is being made of the use of skilled tradesmen in the armed forces with a view to the transfer of some men to more useful employment. Since the Directorate of Man-Power was established four months ago over 4,000 undertakings have been declared "protected". Persons employed in Protected undertakings are estimated to be over 600,000. Protection does not free an employer from the national obligation of ensuring that the country's limited manpower resources are used to the best advantage.

In South Australia 4,000 women are being recruited from the retail trade for munition works. Plans for a similar diversion of 3,000 women in Victoria and others in Tasmania are being prepared. In N.S.W. the Women's Land Army is being expanded. More than 300 women have been placed in rural industries.

Building Permits - Metropolis.

New building is negligible. Permission must be obtained from the Treasury for the erection or alteration of any building.

Building undertaken by the Commonwealth War Workers' Housing Trust has been exempt from this control.

VALUE OF PERMITS TO ERECT NEW BUILDINGS & ADDITIONS.METROPOLIS.

Period	Private & Government Building			City & Suburbs (Excl. Govt. Building)	
	Permits for Houses	Total Private	Government (contracts accepted)	City of Sydney	Suburbs
	£'000	£'000	£'000	£'000	£'000
1938	5,800	14,042	x	5,410	10,633
1939	5,395	12,219	x	1,886	10,334
1940	5,582	11,718	894	1,534	10,184
1941	6,676	10,847	1,439	552	10,295
1941 Mar.	514	857	30	58	799
Oct.	548	768	173	15	753
Nov.	544	809	98	16	793
Dec.	289	539	34	49	490
1942 Jan.	165	247	88	8	239
Feb.	28	121	80	19	102
Mar.	8	56	15	10	46
Apr.	1	86	76	23	63

x not available.

Of the £86,000 of private building permits granted in April, £48,000 was for alterations and additions and only £38,000 for new buildings. Of the total £68,000 was for factories.

The number of houses commenced in the Metropolitan Water Board Area in April 1942 was 18 compared with 533 a year earlier.